



ACA LEARNING SERIES

Impact on Massachusetts &
Implementation Activities to Date

March 2013

A collaborative effort between the
Executive Office of Health and Human Services and the Health Connector

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Background: Guiding Principles

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1. Consumer-centric approach

2. Single, integrated process

3. Appropriate health insurance coverage

4. Commitment to state fiscal realities

Background: Guiding Principles

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5. Simplicity and continuity of coverage

6. Efficient administrative infrastructure

7. Application of lessons learned

8. Continued coverage, access and cost containment through payment and delivery system reform

Updates to State and Federal Individual Mandates

State and Federal Individual Mandates

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- **The Massachusetts individual mandate**

Adults in Massachusetts are currently required to have health insurance that meets the state's Minimum Creditable Coverage standard or be subject to tax penalties.

- **The Affordable Care Act (ACA) mandate**

Effective in 2014, both adults and children will be required to have health insurance that meets federal Minimum Essential Coverage or be subject to tax penalties.

State and Federal Individual Mandates: Coverage Standards

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- **State Minimum Creditable Coverage (MCC)** is the minimum level of benefits that must be included in a person's health insurance plan in order to satisfy the Massachusetts individual mandate. The Health Connector sets MCC benefit levels and services, which include among others:
 - Prescription drug coverage
 - Radiation therapy and chemotherapy
 - Limits on annual deductibles
 - Maximums on out-of-pocket expenses

- **Federal Minimum Essential Coverage (MEC)** is the minimum standard of coverage necessary to comply with the ACA's individual mandate. Unlike the state's MCC, MEC includes a few broad categories of coverage that satisfy the individual mandate.

Proposal: Maintain State Individual Mandate

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- **The Health Connector has proposed maintaining the State Individual Mandate in order to:**
 - Preserve the state's Minimum Creditable Coverage standards
 - Protect consumers no matter where they receive coverage
 - Maintain the 98.1% statewide coverage rate we've gained since establishing health reform in 2006

Proposal: Maintain State Individual Mandate

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- **While important to understand, this will not have a major practical impact on the people and businesses of Massachusetts because**
 - Virtually all of Massachusetts' residents have comprehensive health insurance, meaning they would not face penalties under state or federal law moving forward
 - Under our Minimum Creditable Coverage (MCC) rules, businesses of all sizes are accustomed to providing coverage to MA employees that meets certain standards

State and Federal Individual Mandates: Proposed Penalty Policy

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Under the Health Connector's proposal,

- If someone owes *both* state and federal fines, they will not pay both the federal and state fines in full.

Proposed MCC and Affordability Amendments Timeline

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- The regulatory process is now underway and we invite you to participate:
 - **Mid-December 2012 – Early March 2013**
Notice and Comment Period
 - For more information please go to our website:
www.mahealthconnector.org

Updates to Subsidized Coverage Options

ACA New Subsidized Coverage Options

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The ACA provides different types of subsidized coverage based on FPL ranges.

Adults 0-133% of FPL - MassHealth

- ❑ The ACA expands nationwide Medicaid eligibility to adults 0–133% FPL who have not traditionally been eligible for Medicaid.
- ❑ In Massachusetts, the Health Connector's Commonwealth Care program has provided subsidized coverage to qualifying adults 0-133% since 2006.
- ❑ Under ACA, these Commonwealth Care members will now be covered under MassHealth, if they are citizens or qualified aliens, including those who met the five year bar.
- ❑ A major priority for MassHealth and the Health Connector is minimizing gaps in coverage for members transitioning from the Connector to MassHealth.

ACA New Subsidized Coverage Options

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Adults and Families 134%-400% - Health Connector

- The Health Connector will offer adults in the 134%-400% FPL range subsidized coverage in a Qualified Health Plan (QHP) through the Exchange.*
- In serving this population, the Health Connector has three key priorities:
 - Maintaining the coverage gains achieved in MA to date (98.1% covered)
 - Minimizing gaps in coverage for members transitioning between MassHealth and the Health Connector
 - Providing access to comprehensive coverage that is affordable to both enrollees and the Commonwealth

*Most adults 0%-400% FPL who are not citizens but lawfully present (Alien With Special Status (AWSS)) will be eligible to enroll in a QHP.

Subsidies Available on the Health Connector

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Federal Subsidies (134% to 400% FPL)

□ The ACA provides Advanced Premium Tax Credits (APTCs) and Cost-Sharing Reductions (CSRs) for out-of-pocket costs to eligible individuals with incomes ranging from 134% FPL to 400% FPL, plus legal immigrants under 133% FPL, who purchase a QHP through the Exchange.

- The amount of APTC (up to 400% of FPL) and CSRs (up to 250% FPL only) vary by income.
- Federal subsidies will be paid directly to carriers. Enrollees will pay only their remaining required contribution.
- Federal support will replace a significant amount of state spending currently directed towards the Commonwealth Care and other subsidized programs.

Subsidies Available on the Health Connector

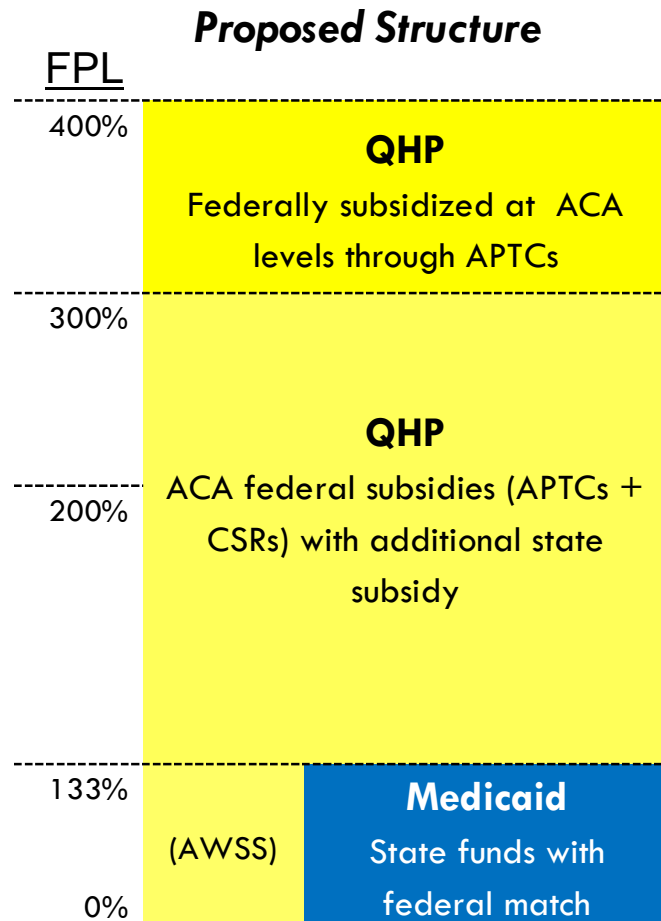
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Additional State Subsidies (134% - 300% FPL)

- Enrollees with incomes up to 300% FPL, including lawfully present immigrants, will receive federal tax credits and cost-sharing reductions, PLUS additional state subsidies to improve affordability.
 - State subsidies will be limited to specific QHPs selected by the Health Connector. Enrollees will be able to select among several carriers and will be guaranteed the same MINIMUM level of benefits and point-of-service cost sharing.
 - State subsidies – like federal subsidies – will be paid directly to carriers. Enrollees will pay only the remaining required contribution.

Proposed Coverage Structure for Adults Eligible for Subsidies Under the ACA

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- MassHealth will offer health coverage to those with incomes between 0-133% FPL.
- The Health Connector will offer subsidized qualified health plans (QHP) to those with incomes between 133% -400% FPL (including AWSS 0-133% FPL).

Proposed Coverage Structure for Adults Eligible for Subsidies Under the ACA

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- **MassHealth will continue to cover other groups at higher income levels, such as:**
 - Children ages 0-18 up to 300% FPL
 - 19 and 20 year olds up to 150% FPL
 - Pregnant women and individuals with HIV up to 200% FPL
 - Individuals with breast or cervical cancer up to 250% FPL
 - Disabled children and adults at higher incomes

Impact on Members

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□ **Continuity of Coverage**

- MassHealth and the Health Connector are working together with the Centers for Medicare and Medicaid Services (CMS) to develop strategies to minimize interruptions in coverage as members transition between the two programs.

□ **Consumer Choice**

- Enrollees will be able to select among several carriers and will be guaranteed the same MINIMUM level of benefits and point-of-service cost sharing.

Health Insurance through Health Insurance Exchange/Integrated Eligibility System (HIX/IES)

Who can get health insurance through HIX/IES?

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- Individuals and Families
 - Subsidized
 - Medicaid
 - Qualified Health Plan (QHP)
 - With advanced premium tax credits (APTC), and or cost sharing reductions (CSR), and or possible additional state subsidy
 - Unsubsidized
 - Qualified Health Plan (QHP)
- Options for Small employers up to 50
 - Qualified Health Plan (QHP)

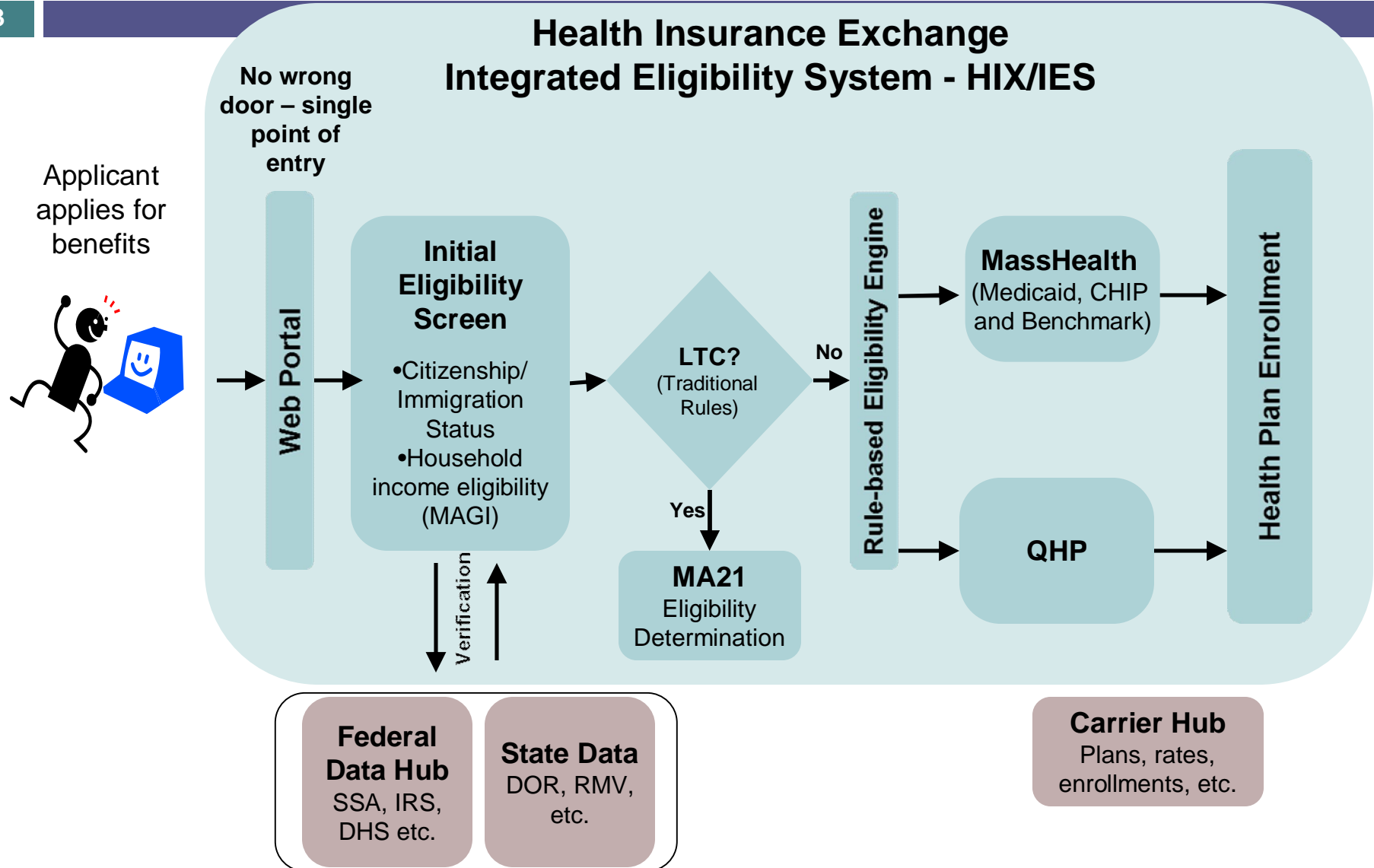
Single Streamlined Application through HIX/IES

The application will be used to determine eligibility for:	How can the application be filed?	Who can file an application?
<ul style="list-style-type: none">• MassHealth• Qualified Health Plans (QHPs)• QHP with advanced payments of the premium tax credits (APTC)• QHP with cost sharing reductions• QHP with state subsidies	<ul style="list-style-type: none">• Online (via the web)• Phone• Mail• In person (via MassHealth Enrollment Centers (MEC) etc.)	<ul style="list-style-type: none">• An applicant• An adult in the applicant's household or family• Designated representative (includes customer service, eligibility representative etc.)

High-Level Eligibility Systems

Process

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Health Insurance Exchange (HIX) Integrated Eligibility System (IES) Overview

**Phase I:
Jan. 2014**



Health
Insurance
Exchange
Portal

Integrated Portals

HIX will allow consumers to shop for health insurance, apply for financial assistance, and enroll in private and public plans in real-time.



Integrated Eligibility System

IES will determine eligibility for the Medicaid and CHIP programs - either directly or by 'talking' to MA21 in real time. It will also determine eligibility for SHOP employers and employees, and more.

**Phase II:
2015**



Other
EOHHS
Programs
Portal

HIX will allow consumers to apply for other public assistance programs like SNAP and TANF.



The IES will determine eligibility for these programs.

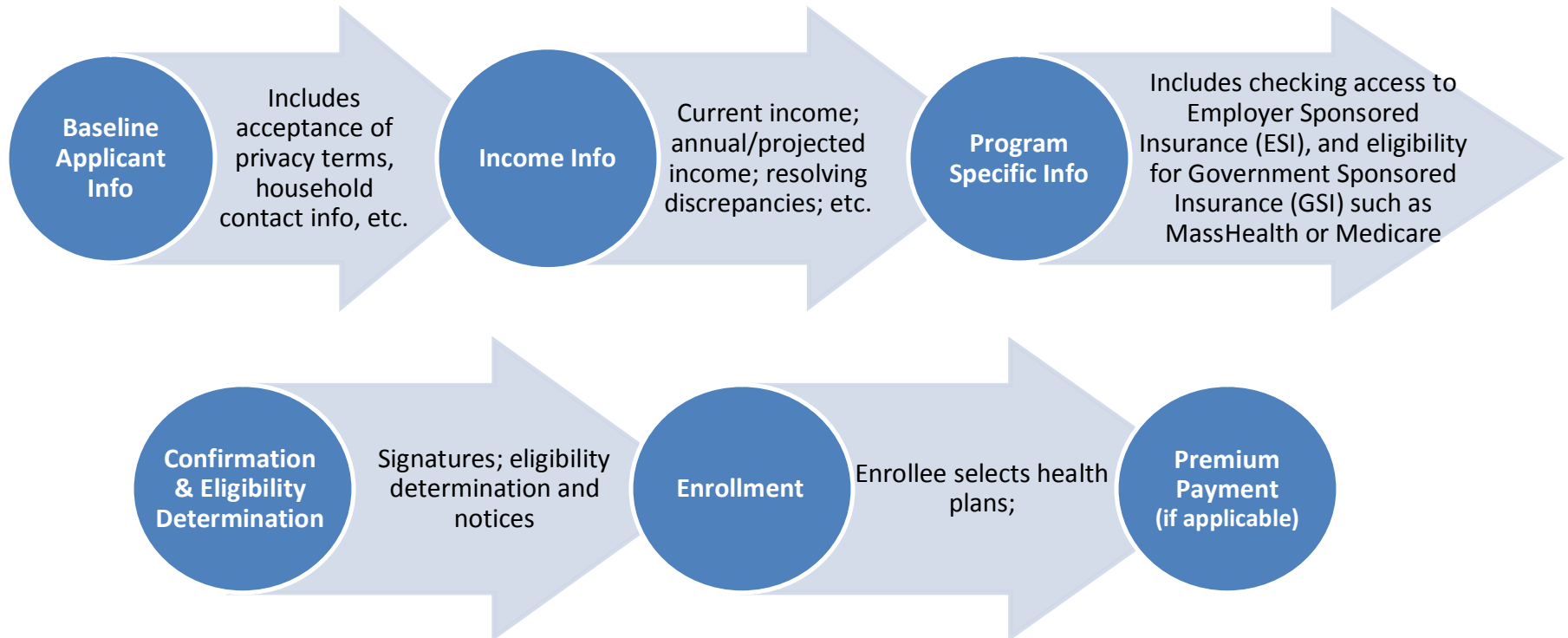
Result

A first-class, 21st century customer and partner experience that is consumer-focused, cost-effective, and re-usable by other states.

Eligibility & Enrollment

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1. Single, streamlined application submitted to HIX/IES
2. The HIX/IES verifies and determines eligibility



Eligibility Criteria

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- Three eligibility criteria must be verified via data match for **anyone seeking coverage** through HIX/IES (subsidized or unsubsidized).
 - 1) **Citizenship:** This verifies that the applicant is a citizen, national or non-citizen who is lawfully present. To verify this, HHS will act as a facilitator between the HIX/IES and the Social Security Administration and the Department of Homeland Security through the Federal Data Hub.
 - 2) **Incarceration:** This verifies that the applicant is not incarcerated. It's important for Exchanges to utilize any data sources that are available and approved by HHS.
 - 3) **Residency:** This verifies that the applicant is a resident or intends to reside in the state.

Eligibility Criteria (contd.)

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- Additional criteria must be verified via data match for anyone seeking subsidized coverage (MassHealth) or Advanced Premium Tax Credits (APTC).
- 4) Indian Status:** There will be special cost sharing rules for American Indians and Alaska Natives (AI/ANS) enrolling in coverage through HIX/IES.
- 5) Income and Family Size:** Must determine countable income and family size based on Modified Adjusted Gross Income (MAGI), that factors in IRS income tax rules.
- 6) Eligible for or enrolled in Government Sponsored Insurance (GSI):** MassHealth, Medicare, Veterans benefits etc.
- 7) Eligible for or enrolled in affordable Employer Sponsored Insurance (ESI):** Must meet minimum value requirements and be less than or equal to 9.5% of income.
- State and federal data matches will verify eligibility criteria

2013 Open Enrollment Key Dates

2013 Key Open Enrollment Key Dates

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During an open enrollment period or special enrollment, an eligible individual can enroll in or switch a Qualified Health Plan (QHP)

- Open Enrollment for non-group (individual and families)
 - Year 1: October 1, 2013 to March 31, 2014
 - Enrollment for a January 1, 2014 effective date will have a December deadline date (TBD).
 - Subsequent Years: October 15th to December 7th
- Special Enrollment – Throughout the year if an individual or family has a qualifying event (birth, marriage, loss of insurance, etc.)

2013 Key Open Enrollment Key Dates

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- MassHealth and the Health Connector, along with other state agencies are engaged in analysis and planning around changes to subsidized programs and unsubsidized health insurance options.
- MA has been awarded grants to assess and plan for policy, programs, business operations and IT systems changes. For a full listing of grants received by state government go to:
www.mass.gov/nationalhealthreform
- MA must comply with ACA requirements for Exchanges to determine eligibility for and coordinate enrollment in Medicaid, CHIP and QHP:
 - Multiple access points: internet, mail, phone, in person
 - A “secure, electronic interface”
 - A single, streamlined eligibility form for all programs

Navigator

Navigator Program

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□ Definition

- Navigators will assist consumers and small businesses in educating them about subsidized and unsubsidized health care coverage options and enrolling in a health plan, including accessing any applicable federal tax credits, cost-sharing reductions, and state subsidies.

□ Target Customers

- Individuals and families
- Small businesses (up to 50 employees)

For complete federal guidelines (§155.210), refer to the Federal Register Web page: http://cfr.regstoday.com/45CFR155.aspx#45_CFR_155p210

Navigator Program Goals

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- Act as 'no wrong door' for information
 - Give Massachusetts residents the information and education needed for eligibility determination, enrollment, coverage and understanding of tax credits
- Ensure a seamless transition for existing members moving between the Health Connector and MassHealth
 - Minimize gaps in coverage
- Help consumers leverage the Exchange
 - Provide outreach and education to consumers of the Exchange

Potential Navigator Program Participants

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The ACA requires a Navigator program include a community and consumer-focused nonprofit group and an entity from at least one of the other following categories:

- Trade, industry, and professional associations
- Commercial fishing industry, ranching and farming organizations
- Chambers of commerce
- Unions
- Resource partners of the Small Business Administration
- Licensed agents and brokers
- Other public or private entities or individuals that meet Navigator requirements, e.g., Indian tribes, tribal organizations, urban Indian organizations, and state or local human service agencies

Navigator Exclusions

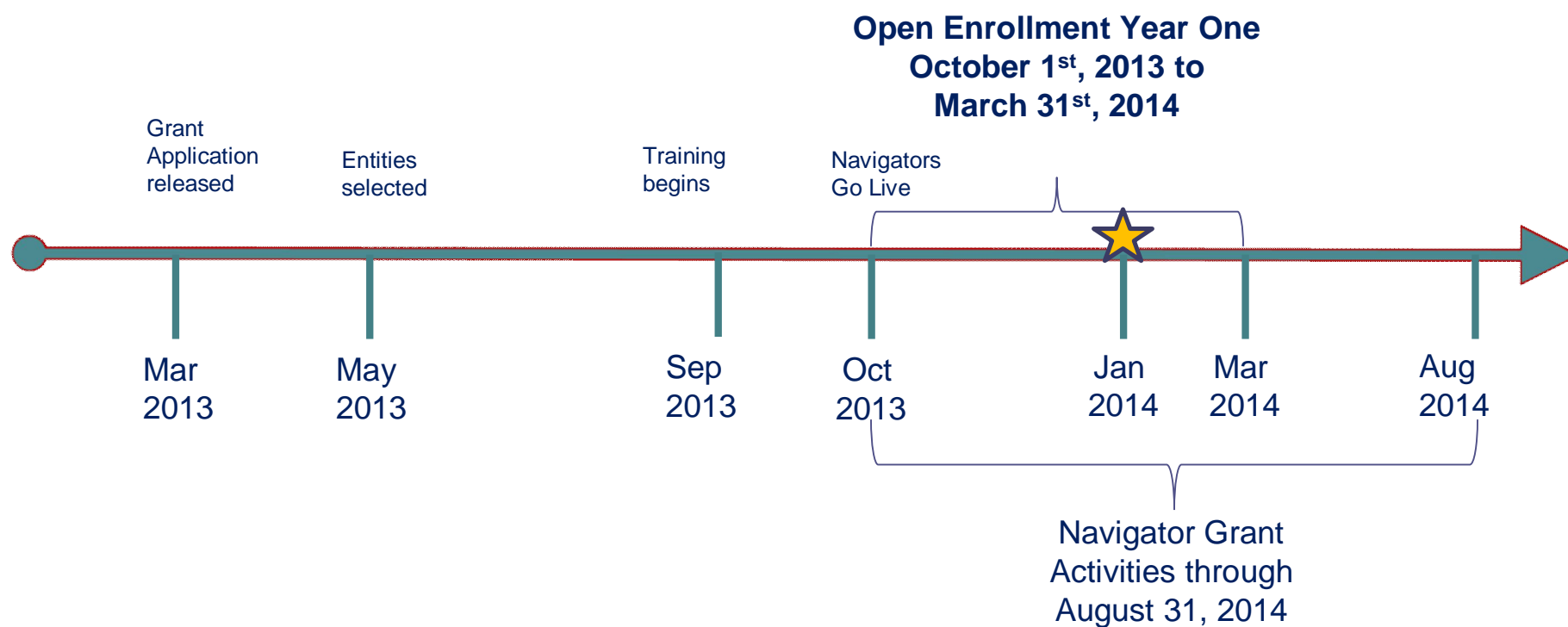
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The ACA prohibits certain Navigator conduct. A Navigator must not:

- Be a health insurance issuer
- Be a subsidiary of a health insurance issuer
- Be an association that includes members of, or lobbies on behalf of, the insurance industry
- Receive any consideration directly or indirectly from any health insurance issuer in connection with the enrollment of any individuals or employees in a Qualified Health Plan (QHP) or a non-QHP

Navigator Program Timeline

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* Final Rules Published on March 12, 2012 (Section 155.220)

Additional information about the construction of the Navigator program will be released in future guidance

Stay Tuned

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- There will be additional ways providers can assist individuals to apply for services and use the new HIX.
- Please stay tuned for future communications.

ACA Learning Series

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Thank you!

Glossary of Acronyms

- ❑ ACA – Affordable Care Act
- ❑ AI/ANS – American Indians and Alaska Natives
- ❑ APTC – Advanced Premium Tax Credits
- ❑ AWSS – Alien With Special Status
- ❑ CHIP – Children’s Health Insurance Program
- ❑ CMS – Centers for Medicare and Medicaid Services
- ❑ CSR – Cost-Sharing Reductions
- ❑ DHS – Department of Homeland Security
- ❑ ESI – Employer Sponsored Insurance
- ❑ FPL – Federal Poverty Level
- ❑ GSI – Government Sponsored Insurance
- ❑ HIX/ IES – Health Information Exchange/ Integrated Eligibility System
- ❑ HHS – Office of Health and Human Services

Glossary of Acronyms (contd.)

- ❑ HSN – Health Safety Net
- ❑ IRS – Internal Revenue Service
- ❑ LTC – Long Term Care
- ❑ MA21 – A MassHealth eligibility mainframe computer system
- ❑ MAGI – Modified Adjusted Gross Income
- ❑ MCC – State Minimum Creditable Coverage
- ❑ MEC – Federal Minimum Essential Coverage
- ❑ MEC – MassHealth Enrollment Centers
- ❑ QHP – Qualified Health Plan
- ❑ SHOP – Small Business Health Options Program
- ❑ SNAP – Supplemental Nutrition Assistance Program
- ❑ SSA – Social Security Administration
- ❑ TANF – Temporary Assistance for Needy Families